



TENNESSEE REGISTRY OF ELECTION FINANCE

Contribution Audit of Judge Robert Weiss' 2014 First Quarter Campaign Finance Disclosure



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August 13, 2014

Members of the Registry of Election Finance
404 James Robertson Parkway, Suite 104
Nashville, TN 37243-1360

Ladies and Gentlemen,

Transmitted herewith is the agreed upon procedures for the un-itemized contribution audit of Judge Robert Weiss' 2014 First Quarter Campaign Financial Disclosure Statement for the 2014 election campaign for Circuit Court 30th Judicial District –Division 8. This audit was conducted pursuant to the requirements of T.C.A. §2-10-212.

The audit procedures developed are to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Laws and Campaign Contribution Limit Laws. The candidate is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Bureau of Ethics and Campaign Finance's internal audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. This report, however, is a matter of public record.

Sincerely,

Jay Moeck, CPA, CFE
Audit Director

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights
Judge Robert Weiss
2014 First Quarter Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Judge Robert Weiss' compliance with certain provisions of campaign finance disclosure laws and regulations; compliance with certain provisions of campaign contribution limit laws and regulations; accuracy and completeness of the un-itemized contribution disclosures on his 2014 First Quarter Campaign Financial Disclosure Statement; and to recommend appropriate actions to correct any deficiencies.

FINDINGS

- 1. Judge Weiss violated T.C.A. §2-10-105(a) by failing to report \$305 in campaign contributions.**
- 2. Judge Weiss violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$300 in campaign contributions from two contributors who contributed in excess of \$100 during a reporting period.**
- 3. Judge Weiss failed to maintain contributor data for \$250 in cash contributions.**

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INTRODUCTION

AUDIT AUTHORITY

Tennessee Code Annotated (T.C.A.) §§2-10-206 and 2-10-212 authorize the Registry of Election Finance (Registry) to conduct audits of campaign financial disclosure statements filed with the Registry. The audit was initiated based on T.C.A. §2-10-212(i), which requires the Registry to audit any candidate that files a disclosure statement with more than 30% of the candidate's contributions reported as un-itemized contributions and the aggregate un-itemized contributions reported are greater than \$5,000.

AUDIT PURPOSE

The Registry's contribution audits are to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the public. The Registry's audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. In addition, the audits assist the Registry with the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are prepared to assist the candidate and the State of Tennessee with promoting governmental accountability and integrity.

AUDIT SCOPE

Tennessee's campaign financial disclosure law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year, the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to only disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit reviewed only Judge Weiss' disclosures on his 2014 First Quarter report.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Judge Robert Weiss is a candidate in the August 8, 2014 general election for Circuit Court 30th Judicial District –Division 8. Judge Weiss filed an Appointment of Political Treasurer Statement with the Registry on November 25, 2013 appointing Daniel Woodlief as political treasurer.

The candidate's first financial disclosure for the 2014 campaign was the 2013 Early Year-End Supplemental report filed on January 30, 2014. The candidate's 2014 First Quarter report filed on April 7, 2014 indicated \$11,243 cash on hand, \$4,058 outstanding obligations and no outstanding loans. The candidate has not completed his 2014 election campaign reporting requirements. The candidate's next report will be the 2014 Second Quarter report due July 10, 2014.

OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2013 Year-End Supplemental and 2014 First Quarter reports. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2014 First quarter report. The amounts displayed are for informational purposes only.

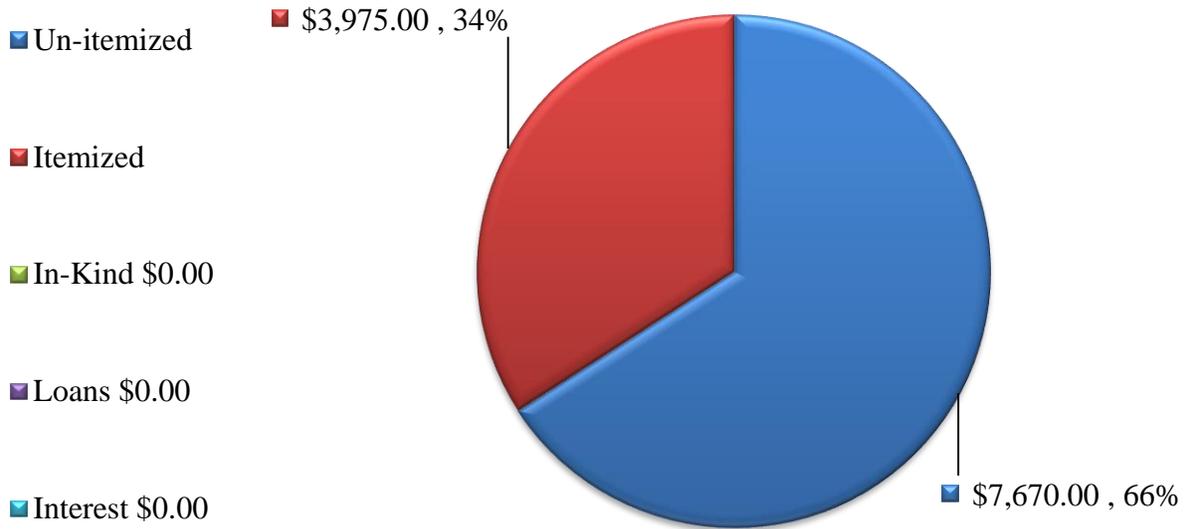
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand at July 1, 2013		\$96.00 1
Receipts		
Un-itemized	\$7,720.00	
Itemized	4,475.00	
Interest	0.00	
Loans received	0.00	
Total receipts		<u>\$12,195.00</u>
Disbursements		
Un-itemized	48.00	
Itemized	1,000.00	
Loans principal payments	0.00	
Total disbursements		<u>\$1,048.00</u>
Cash on hand at March 31, 2014		<u>\$11,243.00</u>
Loans outstanding at March 31, 2014		\$0.00
Obligations March 31, 2014		\$4,058.00
Total in-kind contributions received		\$0.00

1 The cash balance at 7/1/2013 is funds transferred from the candidate's prior campaign

CHARTS

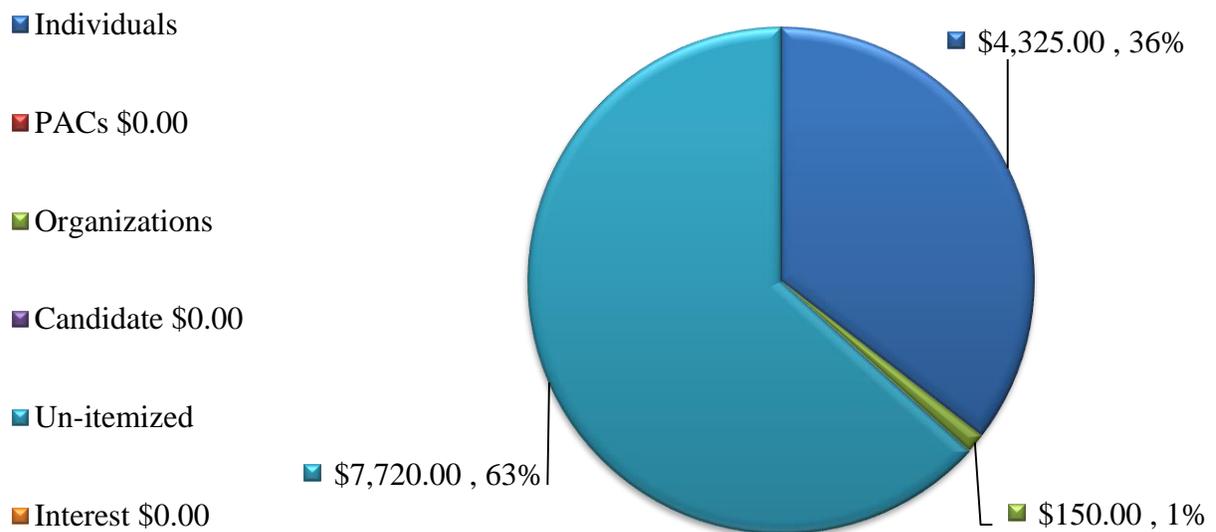
2014 FIRST QUARTER CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2014 First Quarter report.



2014 ELECTION CAMPAIGN CONTRIBUTIONS BY SOURCE (through first quarter)

The following chart shows the monetary contributions reported by the candidate for the 2014 election campaign. Organizations in this chart represent non-profit organizations, Non-PAC campaign organizations or businesses.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

UN-ITEMIZED CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of the audit of un-itemized contributions were to determine whether:

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and reported in compliance with the Registry's rules; and
- all contributions were supported by bank statements and deposit slips.

Audit Methodology:

The Registry obtained Judge Weiss' 2014 First Quarter Campaign Financial Disclosure Statement to verify that the un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions reported. We requested Judge Weiss provide supporting documentation for the un-itemized contributions of \$7,670 that he reported on his 2014 First Quarter report. The candidate's campaign records included bank statements, deposit slips, copies of checks, contribution lists and reconciliation sheets. The following steps were performed on Judge Weiss' campaign documentation:

- The campaign records were reviewed to determine if the candidate's un-itemized contributions received from January 16, 2014 thru March 31, 2014 totaled \$7,670.
- A list of un-itemized contributions was prepared and compared to the candidate's bank statements to determine if the candidate deposited all funds into a campaign bank account and properly recorded the funds.
- A list of un-itemized contributions by contributor was prepared and compared to the candidate's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with campaign contribution limits, T.C.A. §2-10-301, et seq.
- An un-itemized contributions list was reviewed to determine if all contributions were reported, all receipts received were reported, all contributions were reported in the proper period, all contributions were in compliance with T.C.A. §§2-10-105 and 2-10-107, and all contributions were in compliance with the Registry's rules.

Audit Conclusion:

Judge Robert Weiss' 2014 First Quarter Campaign Financial Disclosure Statement reported un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions. The audit indicated all un-itemized contributions reported were deposited into the campaign bank account. The audit indicated the un-itemized contributions complied with campaign finance laws and Registry rules except Judge Weiss failed to report \$305 in campaign contributions prior to audit notification (Finding 1). Also, he failed to itemize \$300 in contributions from contributors who contributed in excess of \$100 during the first quarter (Finding 2). Lastly, he failed to properly maintain campaign records for all \$250 in cash contributions (Finding 3). In addition to the findings noted above, Judge Weiss' campaign records indicated that he overstated an itemized contribution by \$100. No detailed finding for the overstated contribution was provided as the error represents less than 1% of the itemized contributions reported by the candidate.

The audit noted that the candidate amended his 2014 First Quarter and 2013 Year-End reports on April 22, 2014. The Registry audit staff sent notice of audit on April 17, 2014 concerning the audit of the 2014 First Quarter report as amended on April 7, 2014. The findings and errors noted are based on the reports filed prior to audit notice. The amended report corrected \$300 of the \$305 noted in Finding 1 and the \$100 overstated contribution noted above. However, the amended reports created an additional error when the candidate removed \$50 from the un-itemized contributions on the 2013 Year-End report and added \$50 to un-itemized contributions on the 2014 First Quarter. Based on the campaign records the original reporting of the \$50 on the year-end report was correct.

FINDINGS

1. Judge Weiss violated T.C.A. §2-10-105(a) by failing to report \$305 in campaign contributions.

Judge Weiss failed to report \$305 in contributions on his 2014 First Quarter report, received from three individuals. T.C.A. §2-10-105(a) requires all contributions received to be reported on a campaign finance report. The deposit and campaign records indicate a \$250 contribution from one contributor was received and deposited but not reported. Also, the records indicate another contributor made a \$200 contribution which was reported as \$150. Finally, the records indicate the treasurer made a \$5 contribution to test a credit card process service. The funds used in the test were never refunded; as a result, they should be reported as an un-itemized contribution. The \$305 in contributions represent approximately 3% of all contributions reported by Judge Weiss on his 2014 First Quarter Campaign Finance Disclosure Statement.

2. Judge Weiss violated T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$300 in campaign contributions from two contributors who contributed in excess of \$100 during a reporting period.

Judge Weiss included \$300 in un-itemized contributions that he received from two individuals that should have been itemized during 2014 First Quarter reporting period. T.C.A. §2-10-107(a)(2)(A)(i) requires contributions of more than \$100 from one source received during a reporting period to be itemized. The campaign records indicate one contributor made two \$100 contributions during the first quarter, both reported as un-itemized. The remaining \$100 was from a second contributor who made an additional \$200 contribution during the first quarter reporting period. The itemized information for each contributor must include name, address, occupation, employer, date of receipt and amount of the contribution. The \$300 in contributions represents approximately 4% of the un-itemized contributions reported by Judge Weiss on his 2014 First Quarter Campaign Finance Disclosure Statement.

3. Judge Weiss failed to maintain contributor data for \$250 in cash contributions.

Judge Weiss did not maintain or obtain sufficient contribution campaign records to verify compliance with all campaign finance statutes for cash contributions. Judge Weiss' campaign records indicated that he received cash contributions totaling \$250 from anonymous contributors. The campaign records show the cash was deposited into the campaign account. The candidate's list of contributions indicated \$250 was obtained through a fundraising event. The \$250 appears to be all the cash contributions received. Without the specific contributor's names and amounts contributed we could not determine Judge Weiss' compliance with the following campaign finance statutes for the cash contributions:

- T.C.A. §2-10-107(a)(2)(A)(i) requires contributions of more than \$100 from one source received during a reporting period to be itemized. The itemized information for each contributor must include name, address, occupation, employer, date of receipt, and amount of contribution.
- T.C.A. §2-10-311(a) limits cash contributions to \$50 per election for each contributor.

RECOMMENDATION TO CANDIDATE

Judge Weiss should amend his 2014 First Quarter Campaign Financial Disclosure Statement to ensure that he reported all contributions received and properly itemized all contributions from individuals who contributed over \$100 during a reporting period. In addition, he should re-amend his report to properly report the \$50 un-itemized contribution noted in the audit conclusion. In subsequent reporting or future elections, Judge Weiss should maintain contributor data for all campaign contributions received and reconcile the campaign records to his campaign disclosures to ensure all disclosures are complete, accurate and properly supported by the campaign records.

RECOMMENDATION TO REGISTRY

We recommend the Members of the Registry consider the findings for possible further action. We recommend the Registry approve the audit performed as being sufficient and complete. Finally, we recommend the Registry post the audit report to the Registry's website notwithstanding whether a significant penalty is assessed, as outlined in T.C.A. §2-10-212(f). The report and related findings will assist current and future candidates in understanding the audit process, the purposes of Registry rules, and types of procedures needed to comply with campaign finance laws.

RESOLUTIONS

CANDIDATE'S CORRECTIVE ACTIONS

After discussing the above finding with Judge Weiss, he chose to take corrective action on his report prior to the Registry's approval of the audit. Judge Weiss amended his 2013 Early Year-End Supplemental and 2014 First Quarter Campaign Financial Disclosure Statements on June 10, 2014. Summary of the corrections are listed below, included in the summaries are corrections from the April 22, 2014 amended reports noted in the audit conclusion.

Correction Action - Finding 1:

On his amended 2014 First Quarter report, Judge Weiss increased itemized monetary contributions by \$300 by adding one new contributor for \$200 and increasing another contributor's contribution by \$100. In addition, he reduced un-itemized contributions by \$300. The corrections properly amend his 2014 First Quarter report for the contributions noted in Finding 1.

Correction Action - Finding 2 & Audit Conclusion:

On his amended 2014 First Quarter report amended on April 22, 2014, Judge Weiss increased itemized monetary contributions by adding one new contributor for \$250 and increased another contributors contributions by \$50. In addition, he reduced a third contributor's itemized contributions by \$100. The corrections properly amend his 2014 First Quarter report for the contributions noted in Finding 2 and the overstatement in the audit conclusion.

Correction Action - Audit Conclusion:

On his amended 2014 First Quarter report, Judge Weiss decreased un-itemized monetary contributions by \$50. In addition, he amended 2013 Year-End Supplemental report by increasing un-itemized monetary contributions by \$50 and reducing a third contributor's itemized contributions by \$100. The corrections properly amend his campaign finance report for the contributions error created by the reports amended on April 22, 2014 noted in the audit conclusion.

Correction Action - Finding 3:

After review of the draft audit report, the candidate indicated he could identify who made the \$250 in anonymous contributions. In order to support any new contributor, the Bureau staff recommended the candidate obtain a statement from the contributor confirming the contribution. The candidate was only able to provide one email from a contributor stating he had contributed \$50 to the campaign. A review of the contributor and amount indicated the contribution would be properly reported as an un-itemized contribution. For the remaining \$200 amount, the candidate followed the Registry staff recommendation and donated \$200 to a charitable organization (The funds cannot be used for a campaign purpose). The donation expenses was added to the 2014 First Quarter report amended on June 10, 2014

REGISTRY OF ELECTION FINANCE ACTIONS

The Members of the Registry of Election Finance reviewed the 2014 contribution audit of Judge Robert Weiss during the August 13, 2014 regular monthly meeting. The report contained three findings and the corrective action taken by the candidate. The Registry voted to accept and approve the audit report with no further action.